

Does Culture Affect Households' Borrowing Choices?

GSOEP SUBSAMPLE DATA REPORT

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1 Second-Generation Immigrants Identification

In this document, I am briefly trying to shed some light on my work on the German Socio-Economic Panel (GSEOP) of the last period. *In primis*, I start to describe my procedure, motivated by the technical report of Scheller (2011), with which I identify the (best possible number of) second-generation migrants in the SOEP longitudinal dataset. Suddenly, no code were available for this procedure or other components of this dataset. The method employs the following steps.

1. In the tracking dataset, the generated variable `migback` allows me to identify whether individuals have an indirect, direct or no migration background, from which I select those individuals with an indirect migration background. From this group, I firstly retrieve their potential foreign nationality information from the variable `pgnation`: I prioritize this first variable to point out the country of ancestry, when available, amongst the next steps, and I save the information on an auxiliary variable to make the comparison with the next steps, where I will operate in the same fashion. To record this information, I coded a program that checks the frequency of the information within the targeted variables in the current and following steps. I calculate the mode of the information throughout the attainable waves and, when there is a multiple mode, I consider the most recent information available as the correct one. Within this approach, I also try to identify the specific country in case the country of ancestry is indicated as Ex-Yugoslavia for most of the waves.
2. I proceed by merging the individual raw longitudinal dataset to firstly seek the information about citizenship and country of origin contained within the variables `pnat_v1` and `pnat_v2`, and the information about second nationality from the variable `pnat2`. Distinctly saving the information of those variables, I give to the former ones priority two and two the latter priority five when selecting the country of ancestry.
3. Looking at the full longitudinal dataset, I consider the information from the variables `plj0018` and `plf0011` of previous nationality available in some waves, and the variable `plj0023` for second nationality in other waves. I save the former variables as the third

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source of information to identify the country of ancestry, whereas I merge the latter to the previous information on second nationality when it is missing.

4. I check in the children’s biographical dataset whether the respondent – *i.e.* the parent – indicates the citizenship of those individuals, preferring this information to the second nationality from the previous data sources.
5. I fetch across all the waves with a listed information about country of birth and previous nationalities – from Wave A to Wave J – to see whether they deviate from the previous information, or they integrate missing information at longitudinal level.
6. I inspect the parents’ biographical dataset, which contains information about parents’ country of origin from the variables `forigin` and `morigin`. I consider maternal ancestry over paternal ancestry, and paternal ancestry where the mother is German-native or the maternal ancestry information is not available. When it is possible, I extract from the biographical dataset the parent identifier to link her survey information to the children, repeating all the previous steps valid for the children until I find a relevant information to characterize the country of ancestry.
7. Respecting the priority stated within the previous steps, I save the country of ancestry information levelling up until the information is not missing.

Figure 1 illustrates the result of the previously described procedure. In the graph, I consider households where the household head is a second-generation migrant in working age, who is neither in education, nor retired. Furthermore, I exclude those households with missing information about outstanding loans/mortgages for the primary residence or other purposes. In Figure 2, it is possible to observe how many households are disposable for each wave, conditional on the information about outstanding loans.

2 Household Summary Statistics

In the following tables, I summarize the main relevant variables I have been able to extract for the second-generation households. I will omit the full procedure I used to retrieve those variables, we can further discuss about this. In Table 1, it is possible to observe the head of household and the partner’s demographics, weighted with the individual survey factors. Almost all variables cover the selected sample. Most all the variables are straightforward, except for the latest EGP value, which gives a measure of job prestige (the lower, the better job position), and the foreign identity scale (the higher, the less German identity) is constructed as the median value of five different questions in the individual longitudinal dataset harmonized throughout the waves:

- German feeling;
- connection with the country of origin;
- feeling of not belonging;

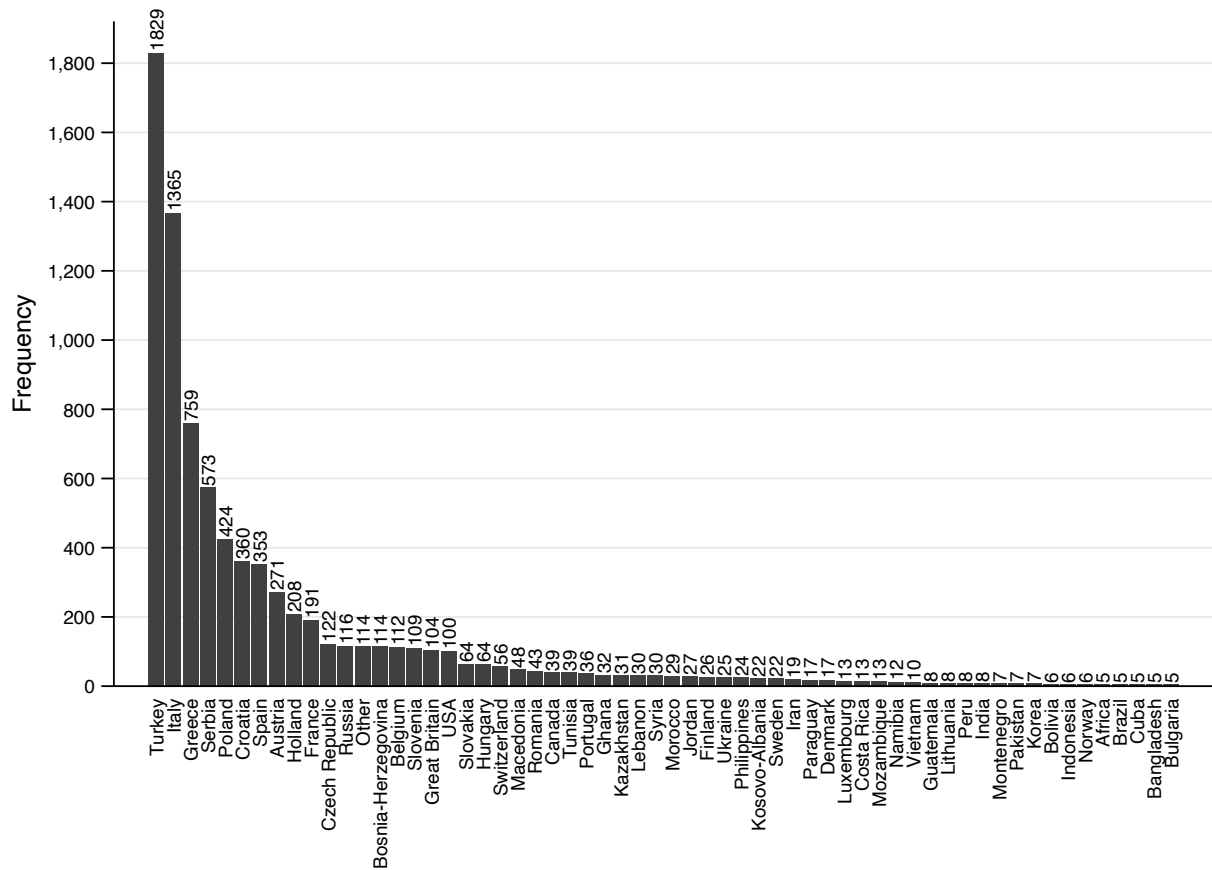


Figure 1: Frequency of Second-Generation Household's Country of Ancestry (when identified). When the frequency is lower than 5, country of ancestry is categorized as "Other". Individual Weighting Factor included. Years: 1984-2017, households with missing information about loans are excluded. Source: German Socio-Economic Panel (GSOEP).

- feeling at home in the country of origin;
- wish to remain in Germany permanently.

Another peculiar variable is the usual language spoken by the individual in three levels, the higher the more fluent in the native language. Overall, the households are of young age, employed, and with vocational training. In Table 2, I describe the main relevant variables I am able to retrieve for the parents of the head of household and their current household, which are symmetrically summarized for the parents of the head of household's partner in Table 3. Those variables are obtained both from the parents' biographical dataset and from the linking operation with the information of parents still in the survey. For the first-generation migrant parent, I am able to reconstruct the length of stay in Germany using the spell dataset of migration when available, the latest year of immigration, and the information about year of birth and death of the parent, which is also used for the current age. For some observations, we also have the information of closeness with the parent through the variable which measures the level of fights of the child with the parent at age 15.

In Table 4, it is possible to observe the current household characteristics, and the main weakness of this dataset, other than the noticeable smaller sample size with respect to the original level of second-generation migrants in the longitudinal survey (roughly 13000 amongst all the available waves, unconditional): information about household overall wealth is available just for three waves – 2002, 2007 and 2012 – and most of the households are tenant, which I guess it is related to their young age.

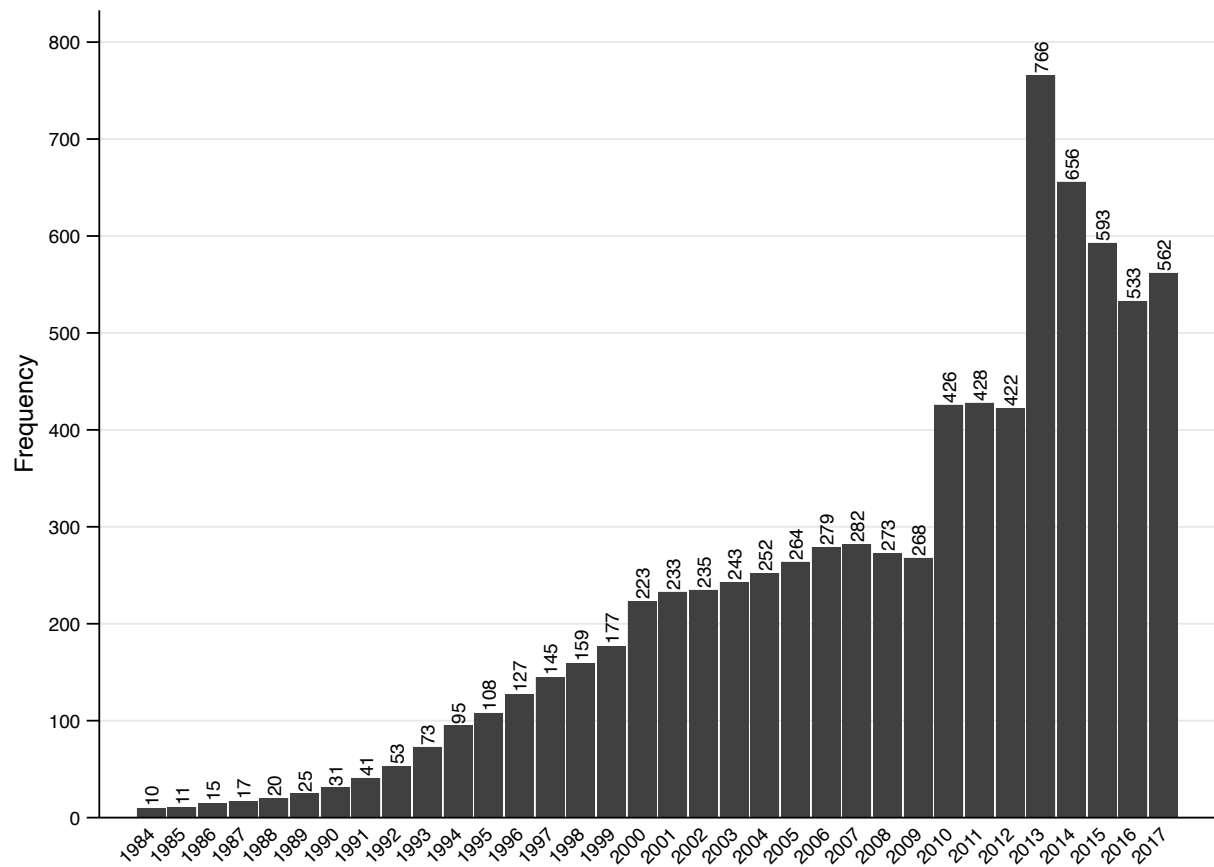


Figure 2: Frequency of Second-Generation Household's Country of Ancestry by Year (when identified). Years: 1984-2017, households with missing information about loans are excluded. Source: German Socio-Economic Panel (GSOEP).

	Mean	Std. Dev.	Min.	Max.	Obs.
Panel A: Head of Household					
Age	32.4	9.348	18	75	7892
% Female	0.48	0.500	0	1	7892
% Married	0.41	0.492	0	1	7892
% Employed	0.83	0.377	0	1	7892
% College	0.23	0.423	0	1	7892
% High School Degree	0.29	0.454	0	1	7892
% Vocational Education	0.53	0.499	0	1	7892
HH Education in Years	12.1	2.885	7	18	7555
HH has Economic Education or Training	0.032	0.177	0	1	7892
HH Last Reached EGP Value (1-11)	4.62	2.967	1	11	7237
HH has a Finance-Related Job	0.082	0.275	0	1	7892
HH Foreign Identity Scale (1-5)	1.87	0.906	1	5.50	5879
HH Usual Language Spoken, 3 levels	1.59	0.892	1	3	2178
% With Indirect Refugee Experience	0.0019	0.0435	0	1	7892
% Catholic	0.36	0.481	0	1	7322
% Protestant	0.16	0.364	0	1	7322
% Orthodox	0.010	0.101	0	1	7322
% Muslim	0.15	0.356	0	1	7322
% No Religious Denomination	0.20	0.396	0	1	7322
HH Number of Siblings in Original Household	2.30	1.614	0	12	5943
Panel B: Head of Household's Partner					
Age	33.3	8.822	17	73	4426
% Female	0.57	0.496	0	1	4426
% Employed	0.70	0.457	0	1	4426
% College	0.21	0.408	0	1	4426
% High School	0.32	0.466	0	1	4426
% Vocational Education	0.59	0.492	0	1	4426
HP Education in Years	11.8	2.646	7	18	4266
HP has Economic Education or Training	0.040	0.196	0	1	4426
HP Last Reached EGP Value (1-11)	5.07	2.900	1	10	3498
HP has a Finance-Related Job	0.062	0.242	0	1	4426
% Direct Migrants	0.38	0.485	0	1	4426
% Second-Generation Immigrant	0.17	0.379	0	1	4426
Length of Stay in Germany, years	15.3	10.88	0	48	1472
HP Foreign Identity Scale (1-5)	1.89	0.870	1	5.50	2272
HP Usual Language Spoken, 3 levels	2.06	0.820	1	3	947
% Catholic	0.28	0.447	0	1	3995
% Protestant	0.16	0.364	0	1	3995
% Orthodox	0.011	0.103	0	1	3995
% Muslim	0.23	0.420	0	1	3995
% No Religious Denomination	0.18	0.387	0	1	3995
HP Number of Siblings in Original Household	2.44	2.229	0	13	3610

Table 1: Summary Statistics for Second-Generation Household Members' Demographics (with individual weighting factors). Years: 1984-2017. Source: German Socio-Economic Panel (GSOEP).

	Mean	Std. Dev.	Min.	Max.	Obs.
Panel A: Head of Household's Father					
HH Father is Alive	0.59	0.492	0	1	7892
HH Father's Age	62.1	9.960	35	95	4660
% German	0.17	0.379	0	1	7871
HH Father is Second-Generation Immigrant	0.023	0.151	0	1	3941
% College	0.12	0.320	0	1	4633
% High School	0.12	0.323	0	1	4633
HH Immigrant Father Length of Stay, years	37.8	9.105	7	66	3186
HH Father Last Reached EGP Value (1-11)	6.58	2.906	1	11	4831
HH Father Current Household Size	2.78	1.190	1	13	2322
Argue Or Fight With Father When Respondent 15	3.60	1.020	1	6	1366
HH Father Monthly Household Net Income, euro	2616.3	2073.8	200	42667	2309
HH Father Household Overall Net Wealth, euro	299984.9	1509632.4	-35000	15621000	303
HH Father Avg. Monthly Household Net Income, euro	2481.2	1521.1	606.6	23520.9	2322
HH Father Avg. Household Overall Net Wealth, euro	188831.5	804277.7	-171666.7	13392000	1997
% Catholic	0.37	0.484	0	1	3574
% Protestant	0.17	0.375	0	1	3574
% Orthodox	0.075	0.264	0	1	3574
% Muslim	0.11	0.308	0	1	3574
% No Religious Denomination	0.14	0.344	0	1	3574
Panel B: Head of Household's Mother					
HH Mother is Alive	0.66	0.475	0	1	7892
HH Mother's Age	59.1	10.39	33	95	5167
% German	0.16	0.368	0	1	7871
HH Mother is Second Generation Immigrant	0.037	0.188	0	1	4218
% College	0.073	0.261	0	1	4755
% High School	0.074	0.261	0	1	4755
HH Immigrant Mother Length of Stay, years	34.6	7.865	4	60	3227
HH Mother Last Reached EGP Value (1-11)	6.06	2.941	1	10	3513
HH Mother Current Household Size	2.62	1.252	1	13	2786
Argue Or Fight With Mother When Respondent 15	3.42	1.028	1	6	1358
HH Mother Monthly Household Net Income, euro	2353.5	1428.2	216	15000	2775
HH Mother Household Overall Net Wealth, euro	127900.0	228771.3	-57341	3380000	361
HH Mother Avg. Monthly Household Net Income, euro	2288.4	1323.8	300	23520.9	2786
HH Mother Avg. Household Overall Net Wealth, euro	141469.0	627500.2	-49833.3	13392000	2407
% Catholic	0.38	0.485	0	1	3780
% Protestant	0.21	0.404	0	1	3780
% Orthodox	0.088	0.284	0	1	3780
% Muslim	0.093	0.290	0	1	3780
% No Religious Denomination	0.11	0.314	0	1	3780

Table 2: Summary Statistics for Second-Generation Head of Household's Parents (with head of household's weighting factor). Years: 1984-2017. Source: German Socio-Economic Panel (GSOEP).

	Mean	Std. Dev.	Min.	Max.	Obs.
Panel A: Head of Household Partner's Father					
HP Father is Alive	0.71	0.456	0	1	4426
HP Father's Age	61.0	9.212	36	106	3183
% German	0.052	0.223	0	1	865
% College	0.090	0.286	0	1	3295
% High School	0.091	0.288	0	1	3295
HP Immigrant Father Length of Stay, years	31.9	3.797	25	37	13
HP Father Last Reached EGP Value (1-11)	6.39	3.133	1	11	3158
HP Father Current Household Size	2.34	0.888	1	6	68
Argue Or Fight With Father When Respondent 15	3.60	1.185	1	6	1544
HP Father Monthly Household Net Income, euro	1761.4	834.5	490	3500	68
HP Father Household Overall Net Wealth, euro	36835.5	91663.8	0	298100	9
HP Father Avg. Monthly Household Net Income, euro	1963.2	570.3	749.5	2944.5	68
HP Father Avg. Household Overall Net Wealth, euro	61260.3	183732.6	-6000	893010	64
% Catholic	0.28	0.448	0	1	2447
% Protestant	0.22	0.413	0	1	2447
% Orthodox	0.11	0.312	0	1	2447
% Muslim	0.10	0.301	0	1	2447
% No Religious Denomination	0.092	0.290	0	1	2447
Panel B: Head of Household Partner's Mother					
HP Mother is Alive	0.84	0.371	0	1	4426
HP Mother's Age	59.6	10.12	35	91	3673
% German	0.026	0.159	0	1	865
% College	0.055	0.229	0	1	3228
% High School	0.055	0.229	0	1	3228
HP Immigrant Mother Length of Stay, years	36.0	4.404	24	45	30
HP Mother Last Reached EGP Value (1-11)	5.68	2.964	1	11	1394
HP Mother Current Household Size	2.20	0.969	1	6	79
Argue Or Fight With Mother When Respondent 15	3.42	1.125	1	6	1530
HP Mother Monthly Household Net Income, euro	1442.3	860.5	490	3500	78
HP Mother Household Overall Net Wealth, euro	4055.6	15038.6	0	58217	8
HP Mother Avg. Monthly Household Net Income, euro	1619.9	638.9	749.5	2944.5	79
HP Mother Avg. Household Overall Net Wealth, euro	50262.1	173017.2	-15000	893010	72
% Catholic	0.30	0.457	0	1	2428
% Protestant	0.24	0.426	0	1	2428
% Orthodox	0.093	0.291	0	1	2428
% Muslim	0.10	0.307	0	1	2428
% No Religious Denomination	0.077	0.267	0	1	2428

Table 3: Summary Statistics for Second-Generation Head of Household Partner's Parents (with partner's weighting factor). Years: 1984-2017. Source: German Socio-Economic Panel (GSOEP).

	Mean	Std. Dev.	Min.	Max.	Obs.
Household Size	2.35	1.272	1	9	7920
Number of Children (<18) in the Household	0.66	0.914	0	5	7920
HH owns the Main Residence	0.23	0.424	0	1	7919
HH is a Tenant	0.77	0.424	0	1	7919
Size Of Housing Unit In Sq M	82.4	38.26	9	450	7918
Amount Of Rent Minus Heating Costs	448.8	219.8	0	3191	5695
Monthly Net Household Income, euro	2757.4	2803.0	0	41300	7897
HH Prop. Prim. Resid. Market Value (Imputed), euro	287335.2	655220.9	0	7500000	897
HH Prop. Prim. Resid. Debts (Imputed), euro	115787.8	263255.0	0	2275000	897
HH Other Real Estate Market Value (Imputed), euro	53178.1	362766.4	0	6012500	897
HH Other Real Estate Debts (Imputed), euro	22391.3	231019.8	0	4500000	897
HH Gross Overall Wealth (Imputed), euro	538242.4	1628174.0	0	24000000	897
HH Net Overall Wealth (Imputed), euro	378032.3	1518454.0	-850000	23700000	897
HH has Outstanding Loan/Mortgage Prim. Resid.	0.17	0.376	0	1	7920
HH Monthly Repayment for Loan Prim. Resid, euros	803.3	443.4	8	6500	1546
HH has Outstanding Loan/Mortgage Other	0.26	0.440	0	1	7033
HH Monthly Repayment for Loan Others, euros	319.7	324.8	10	14000	1770
HH has Outstanding Loan/Mortgage	0.36	0.480	0	1	7920
HH Monthly Repayment for any Loan, euros	597.1	534.6	8	14000	2917

Table 4: Summary Statistics for the Current Second-Generation Household (with household weights). The Household Head is defined as the adult person, neither in education nor retired, who knows best about the general conditions under which the household acts and is supposed to answer this questionnaire in each given year. Years: 1984-2017. Source: German Socio-Economic Panel (GSOEP).

References

Scheller, F. (2011), Bestimmung der Herkunftsnationen von Teilnehmern des Sozio-oekonomischen Panels (SOEP) mit Migrationshintergrund, Working Paper 407-2011, DIW Berlin.